MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2017/2018

UTS2612 – INTERNATIONAL TRADE AND SHIPPING LAW

(All Sections / Groups)

31st May 2018
Reading Time : 9:00am - 9:15 am
(15 Minutes)
Answering Time : 9:15 am- 12:15 pm
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. Students will have **fifteen minutes** during which they may read the paper and make rough notes ONLY in their question paper. Students then have the remaining **THREE HOURS** in which to answer the questions.

2. This Question paper consists of 3 pages with 5 Questions only.

3. Attempt **FOUR** out of FIVE questions. All questions carry equal marks and the distribution of the marks for each question is given.

4. Students are allowed to bring into Examination Hall CLEAN and ORIGINAL copy of:
   i. Merchant Shipping Ordinance 1952
   ii. Carriage of Goods by Sea Act 1950
   iii. Sale of Goods Act 1957
   iv. Reciprocal Enforcement of Judgments Act 1958
   v. United Nations Convention on Contracts for the International Sale of Goods (CISG)

   Students are not allowed to lend or borrow statute(s) during the Examination.

5. Please write all your answers in the Answer Booklet provided.

QUESTION 1

(i) Explain the carriers' duties under common law in relation to contract of carriage.

(10 marks)

(ii) Discuss the functions of bill of lading in the contract of carriage by sea. Support your answer with decided cases.

(15 marks)

(Total: 25 marks)

QUESTION 2

(i) The ship Bunga Cempaka belonged to Bayu International Shipping Corporation (BISC). The ship was insured with Reliable Insurance company (RI) at the time when it sank as a result of a collision. Based on that insurance policy, RI paid compensation of USD 150,000 to BISC. BISC then initiated a legal proceeding against the tortfeasors in New York and was successful in their proceeding and received damages in a sum of USD 245,000 as a result of devaluation of the currency. The BISC returned the sum of USD 150,000 to the RI. However, RI brought an action against the BISC for the balance of USD 245,000.
Advise BISC.

(15 marks)

(ii) Material facts mean facts which would influence the judgement of a prudent insurer in fixing the premium or determining whether he will take the risk. Discuss the legal principle governing the marine insurance contract in relation to the above statement.

(10 marks)

(Total: 25 marks)

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QUESTION 3

(i) "Action *in rem* and action *in personam* are two legal concepts". Discuss.

(15 marks)

(ii) Is there any Special Court for admiralty claims in Malaysia? Discuss.

(10 marks)

(Total: 25 marks)

QUESTION 4

Shipyard Co., a company incorporated under the laws of United Kingdom, entered into a contract to build an oil-tanker for RonOil Berhad, a company incorporated under the laws of Malaysia. Their contract stipulated that in case of any dispute the parties are to litigate the matter in the high courts of Hong Kong. After the contract was completed and Shipyard Co had begun construction, the global economy experienced a recession and RonOil Berhad unable to secure oil transportation contracts from other oil companies, filed for winding-up. As such, RonOil Berhad cancelled the shipbuilding contract with Shipyard Co. Shipyard Co then sued RonOil Berhad in Hong Kong according to the provisions of the contract. The High Court judge in Hong Kong rendered $50 million Ringgit judgment in favour of Shipyard Co. Due to RonOil Berhad's winding-up proceeding, RonOil Berhad no longer has any assets in Malaysia. However, based on the creditor's inventory list, RonOil Berhad still has a bank account in Malaysian bank worth $20 million Ringgit and an office building in Petaling Jaya worth $10 million Ringgit. Shipyard Co has retained you as its Malaysian Counsel.

Advise Shipyard Co., on how it can, if possible enforce the Hong Kong Judgment in Malaysia.

(Total :25 marks)

Continued...

QUESTION 5

(i) Discuss the major differences between Salvage and Towage.

(15 marks)

(ii) Discuss the procedures of Ship Arrest in Malaysia.

(10 marks)

(Total: 25 marks)

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